

3 1761 11892520 5



Government  
Publications

STATEMENT TO THE LEGISLATURE

BY

THE HONOURABLE LARRY GROSSMAN  
MINISTER OF INDUSTRY AND TOURISM

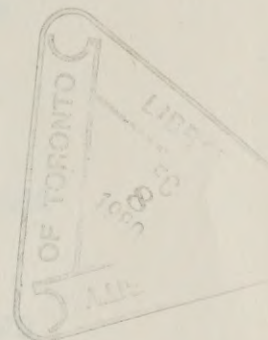
ON


SMALL BUSINESS

MARCH 28, 1980

NOTES ONLY

CHECK AGAINST DELIVERY





Digitized by the Internet Archive  
in 2024 with funding from  
University of Toronto

<https://archive.org/details/31761118925205>

MR. SPEAKER,

I WISH TO ANNOUNCE A SERIES OF INITIATIVES AND NEW PROGRAM DIRECTIONS AIMED SPECIFICALLY AT THE SMALL BUSINESS SECTOR OF ONTARIO.

AS A BACKGROUND TO THESE INITIATIVES, WE ARE RELEASING THIS MORNING A POLICY DOCUMENT WHICH IDENTIFIES THE KEY ISSUES WHICH MUST BE ADDRESSED IN ORDER TO PERMIT AND ASSIST SMALL BUSINESS IN ONTARIO TO DEVELOP TO ITS FULL POTENTIAL. IT ALSO PROVIDES A FRAMEWORK FOR THE NEW PROGRAMS WE ARE UNDERTAKING AND DIRECTIONS WE ARE FOLLOWING.

MR. SPEAKER, THESE INITIATIVES -- DEVELOPED AFTER EXTENSIVE DIALOGUE AND CONSULTATION WITH SMALL BUSINESS OWNERS AND OPERATORS IN THE MANUFACTURING, SERVICE INDUSTRY AND RETAIL SECTORS THROUGHOUT THE PROVINCE -- REPRESENT, WE THINK, A PRAGMATIC AND INNOVATIVE RESPONSE TO THE PROBLEMS AND FRUSTRATIONS EXPERIENCED BY LOCAL ENTREPRENEURS.

WE BELIEVE THAT THE CONTRIBUTION OF SMALL BUSINESSES TO OUR ECONOMIC STRENGTH IN THIS PROVINCE CAN BE MAXIMIZED ONLY IF THEY ARE ASSISTED AND ENCOURAGED TO DEVELOP, TO BECOME FINANCIALLY SECURE AND ANCHORED IN THEIR LOCAL COMMUNITIES, AND TO INCREASE THEIR COMPETITIVENESS IN BOTH DOMESTIC AND INTERNATIONAL MARKETS.

MR. SPEAKER, I WOULD LIKE TO HIGHLIGHT 14 OF THE COMPONENTS OF OUR PROGRAM.

THE FIRST INVOLVES MARKETING ASSISTANCE FOR SMALL BUSINESSES. LOCAL FIRMS OFTEN HAVE LIMITED RESOURCES TO ALLOCATE TO PROMOTIONAL MATERIALS. AND YET, EFFECTIVE MARKETING CAN BE KEY TO INCREASED SALES.

WE ARE INTRODUCING A NEW PROGRAM WHEREBY COMPANIES WITH NEW AND INNOVATIVE PRODUCTS WILL BE ABLE TO PRODUCE EFFECTIVE PROMOTIONAL MATERIALS AND ACQUIRE SKILLED MARKETING ASSISTANCE FROM PUBLIC RELATIONS AND ADVERTISING SPECIALISTS IN THE PRIVATE SECTOR -- WITH MY MINISTRY PAYING 75 PER CENT OF THE COST, TO A MAXIMUM OF \$7,500 PER COMPANY.

THE SECOND PART OF OUR PROGRAM WILL ADD NEW FOCUS TO THE CONSULTING SERVICES AVAILABLE THROUGH MY MINISTRY. WE WILL BE OFFERING TO SMALL BUSINESSES THE SPECIALIZED SKILLS OF OUR MARKETING CONSULTANTS TO ASSIST IN THE DEVELOPMENT OF COMPREHENSIVE MARKETING PLANS AND THE IMPROVEMENT OF INTERNAL MARKETING SKILLS.

THE THIRD NEW INITIATIVE WE ARE UNDERTAKING INVOLVES DIRECT FINANCIAL ASSISTANCE FOR SMALL BUSINESSES TO UNDERTAKE RESEARCH AND DEVELOPMENT.

MANY LOCAL ENTREPRENEURS WANT TO DEVELOP AND APPLY NEW TECHNOLOGY, BUT LACK THE NECESSARY FINANCIAL RESOURCES TO SET UP LABORATORIES OR RETAIN ENGINEERS, SCIENTISTS AND TECHNICAL EXPERTS.

THESE FIRMS MUST HAVE ACCESS TO THE SPECIALIZED SKILLS OFFERED THROUGH THE ONTARIO RESEARCH FOUNDATION AND OTHER RESEARCH FACILITIES.

ACCORDINGLY, WE WILL PAY 90 PER CENT OF THE COST OF RESEARCH AND DEVELOPMENT AND TECHNICAL ASSESSMENT WORK PERFORMED FOR SMALL BUSINESSES BY ORF OR OTHER RESEARCH ORGANIZATIONS, TO A MAXIMUM OF \$3,600 PER FIRM.

THE FOURTH COMPONENT OF OUR PROGRAM INVOLVES DIRECT FINANCIAL ASSISTANCE TO PROVIDE LOCAL ENTREPRENEURS WITH ACCESS TO THE KIND OF GUIDANCE AND DIRECTION THAT IS AVAILABLE TO MAJOR CORPORATIONS THROUGH THEIR BOARDS OF DIRECTORS.

TO DO THIS, MY MINISTRY IS FUNDING A PILOT PROJECT TO SET UP LOCAL BOARDS OF DIRECTORS COMPRISED OF SUCCESSFUL AND AGGRESSIVE BUSINESS PEOPLE FROM INDIVIDUAL COMMUNITIES. THE BOARD WILL MEET SIX TIMES A YEAR TO OFFER LOCAL BUSINESSES ADVICE ON THEIR OPERATIONS.

THE PILOT PROJECT WILL BEGIN NEXT MONTH IN THE KITCHENER-WATERLOO REGION. BASED ON THE RESULTS IN THAT AREA, WE HOPE TO EXTEND IT TO OTHER COMMUNITIES THROUGHOUT ONTARIO.

THE FIFTH INITIATIVE WE ARE UNDERTAKING INVOLVES INCREASED ASSISTANCE AND SUPPORT FOR SMALL BUSINESSES WANTING TO SELL TO GOVERNMENT.

WHILE OUR GOVERNMENT IS ALREADY PURCHASING GOODS AND SERVICES FROM THOUSANDS OF SMALL BUSINESSES IN ONTARIO, LOCAL ENTERPRISES MUST BE ENCOURAGED AND ASSISTED TO SELL MORE EFFECTIVELY.

WE HAVE ESTABLISHED A SPECIAL "MARKETING TO GOVERNMENT" UNIT IN OUR SMALL BUSINESS DEVELOPMENT BRANCH. IT WILL BE WORKING WITH INDIVIDUAL FIRMS -- HELPING THEM TO IDENTIFY SPECIFIC MARKETING OPPORTUNITIES AND MEET THE PURCHASING REQUIREMENTS OF PROVINCIAL MINISTRIES AND AGENCIES.

JOHN LASCHINGER, OUR DIRECTOR OF SMALL BUSINESS DEVELOPMENT, WILL ASSUME THE ROLE OF "SMALL BUSINESS TROUBLE SHOOTER" -- OFFERING ASSISTANCE AND INTERVENING ON BEHALF OF ANY SMALL BUSINESS OWNER HAVING DIFFICULTY IN OBTAINING GOVERNMENT CONTRACTS.

TO INCREASE ACCESS TO THE SERVICES OF THE "TROUBLE SHOOTER", WE HAVE SET UP A "CALL COLLECT" SYSTEM, WHEREBY ANY SMALL BUSINESS PERSON CAN CONTACT HIM AT QUEEN'S PARK, FREE OF CHARGE.

AS A SIXTH INITIATIVE, WE HAVE ESTABLISHED A TASK FORCE IN CONJUNCTION WITH THE MANAGEMENT BOARD OF CABINET, THE MINISTRY OF GOVERNMENT SERVICES AND OTHER GOVERNMENT MINISTRIES AND AGENCIES. THIS TASK FORCE IS STUDYING THE EFFECTS OF GOVERNMENT PROCUREMENT POLICIES AND IS IDENTIFYING WAYS TO STREAMLINE AND STANDARDIZE PURCHASING PROCEDURES AND POLICIES ON AS WIDE A BASIS AS POSSIBLE.

THE SEVENTH COMPONENT OF OUR PROGRAM FOR SMALL BUSINESS INVOLVES THE DEVELOPMENT OF A COMPLETE DIRECTORY PROVIDING INFORMATION ON HOW TO SELL TO GOVERNMENT, PURCHASING TERMS AND PROCEDURES, ITEMS BOUGHT AND PROVINCIAL PURCHASING AGENTS AND CONTACTS.

THIRTY-FIVE THOUSAND COPIES OF THIS DIRECTORY -- WHICH HAS BEEN PREPARED IN COOPERATION WITH THE PURCHASING OFFICERS COUNCIL OF OUR GOVERNMENT -- WILL BE DISTRIBUTED NEXT MONTH TO SMALL BUSINESS PEOPLE ACROSS ONTARIO, THROUGH MY MINISTRY'S SIXTEEN FIELD OFFICES.

OUR EIGHTH INITIATIVE DEALS WITH EFFORTS TO ASSESS ACCURATELY THE SHARE OF GOVERNMENT PURCHASES GOING TO SMALL BUSINESSES. MY COLLEAGUE, THE CHAIRMAN OF MANAGEMENT BOARD OF CABINET, WILL BE OUTLINING THE QUITE IMPRESSIVE RESULTS OF A RECENTLY COMPLETED STUDY ON THIS SUBJECT IMMEDIATELY FOLLOWING MY STATEMENT. WE WILL CONTINUE TO MONITOR THE SITUATION AND PROVIDE AN ANNUAL REPORT TO THIS LEGISLATURE.

NINTH, WE WILL BE INTRODUCING A FORMAL PROGRAM TO ENCOURAGE INCREASED SOURCING BY MULTINATIONAL FIRMS FROM SMALL CANADIAN BUSINESSES. THIS INITIATIVE REPRESENTS AN EXTENSION OF OUR SHOP CANADIAN PROGRAM -- DESIGNED TO PROMOTE INCREASED PUBLIC AWARENESS OF THE IMPORTANCE OF SUPPORTING CANADIAN MANUFACTURED PRODUCTS.

WE WILL ALSO BE PLACING EMPHASIS ON THE DISTRIBUTION OF INFORMATION ON CURRENT IMPORT REPLACEMENT, LICENSING, JOINT VENTURE AND PRIVATE SECTOR OPPORTUNITIES.

THE TENTH COMPONENT OF OUR FOURTEEN-POINT PROGRAM DEALS WITH THE PROMOTION OF FINANCIAL ASSISTANCE AVAILABLE TO SMALL BUSINESS.

GOVERNMENTS -- AT BOTH THE FEDERAL AND PROVINCIAL LEVEL -- AS WELL AS MANY LENDING INSTITUTIONS, HAVE SPECIFIC PROGRAMS DESIGNED TO PROVIDE FINANCIAL ASSISTANCE TO SMALL BUSINESS.

ONE OF THE MOST IMPORTANT INITIATIVES IN THIS AREA WAS THE ESTABLISHMENT LAST YEAR BY THE TREASURER OF ONTARIO'S SMALL BUSINESS DEVELOPMENT CORPORATIONS LEGISLATION -- PROVIDING ATTRACTIVE TAX INCENTIVES TO ENCOURAGE EQUITY INVESTMENT BY SMALL BUSINESS.

MY MINISTRY WILL TAKE ON THE ROLE OF BROKER -- SETTING UP AN INFORMATION EXCHANGE SYSTEM -- SO THAT THE EQUITY CAPITAL REQUIREMENTS OF ELIGIBLE SMALL BUSINESSES CAN BE MATCHED TO REGISTERED SMALL BUSINESS DEVELOPMENT CORPORATIONS.

THE ELEVENTH PART OF OUR PROGRAM RELATES TO THE EXPANSION OF OUR STAFF COMPLEMENT TO PROVIDE INCREASED FINANCIAL PLANNING ASSISTANCE FOR SMALL BUSINESS -- AND PARTICULARLY ASSISTANCE IN PREPARING PRESENTATIONS FOR FINANCIAL SUPPORT FROM PUBLIC OR PRIVATE LENDING INSTITUTIONS THROUGH OUR COMPUTER PLANNING MODEL.

THE COMPUTER MODEL -- WHICH HAS BEEN IN OPERATION FOR THE PAST YEAR AND A HALF -- PROVIDES LOCAL FIRMS WITH FINANCIAL REPORTS, BALANCE SHEETS AND CASH FLOW ANALYSES OF THEIR BUSINESSES. THESE FINANCIAL FORECASTS CAN BE USED AS A CONTROL DEVICE TO PLAN AND ASSESS FUTURE PROFITS, AND FOR SUPPORT IN LOAN APPLICATIONS. THE EXPANSION OF THIS PROGRAM WILL BRING SOPHISTICATED COMPUTER FACILITIES TO VIRTUALLY EVERY MANUFACTURER IN THE PROVINCE.

THE TWELFTH COMPONENT DEALS WITH THE MINISTRY OF INDUSTRY AND TOURISM ACTING AS A VOICE FOR SMALL BUSINESS.

TO ENSURE IMPROVED COMMUNICATIONS BETWEEN THE FEDERAL AND PROVINCIAL GOVERNMENTS, MY MINISTRY WILL PREPARE AND SUBMIT AN ANNUAL REPORT TO THE FEDERAL GOVERNMENT, HIGHLIGHTING OUR CONCERNS AND INCLUDING OUR RECOMMENDATIONS FOR PROGRAMS, SERVICES AND POLICIES WITH RESPECT TO SMALL BUSINESS.

IN THIS WAY, WE HOPE THAT ONTARIO'S SMALL MANUFACTURERS, IN PARTICULAR, WILL BE TAKEN INTO FULL ACCOUNT WHEN FEDERAL POLICIES AND PROGRAMS ARE DEVELOPED OR REVISED.

AS A THIRTEENTH POINT IN OUR PROGRAM, OUR MINISTRY WILL SUBMIT AN ANNUAL REPORT TO THIS LEGISLATURE, INCLUDING INFORMATION ABOUT SPECIFIC PROBLEMS THAT HAVE BEEN IDENTIFIED, NEW INITIATIVES WE HAVE UNDERTAKEN AND PROGRESS REPORTS ON EXISTING PROGRAMS AND SERVICES. THE POLICY PAPER I AM RELEASING TODAY REPRESENTS THE FIRST OF THOSE REPORTS.

MR. SPEAKER, THE FINAL COMPONENT OF OUR FOURTEEN-POINT PROGRAM INVOLVES BUILDING A BASE OF PUBLIC SUPPORT FOR, AND UNDERSTANDING OF, SMALL BUSINESS.

WE WILL BE UNDERTAKING A SERIES OF RESEARCH STUDIES AT ONTARIO BUSINESS SCHOOLS TO EVALUATE THE DEGREE TO WHICH SKILLS APPROPRIATE TO SMALLER BUSINESSES ARE BEING TAUGHT -- AS WELL AS THE EFFECT OF THE EXISTING CURRICULUM ON STUDENT ATTITUDE TO SMALL BUSINESS.

WHAT I HAVE DESCRIBED TODAY REPRESENTS, WE THINK, A PRAGMATIC AND COMPREHENSIVE RESPONSE TO MANY OF THE SPECIFIC CONCERNS OF SMALL BUSINESS.

WHILE OUR BASIC MINISTRY MANDATE RELATES TO THE MANUFACTURING SECTOR, WE ARE CONTINUING TO EXPAND OUR SERVICES TO SMALL RETAILERS AND SERVICE INDUSTRIES. OUR LOW COST CONSULTING PROGRAM, OFFERED IN CONJUNCTION WITH ONTARIO UNIVERSITIES; OUR ADVOCACY INITIATIVES; AND OUR SMALL BUSINESS MANAGEMENT DEVELOPMENT PROGRAM ARE NOW AVAILABLE TO -- AND BEING USED BY -- LOCAL RETAILERS.

MR. SPEAKER, WE ARE IN THE PROCESS OF DEVELOPING NEW PROGRAMS TO SERVE THIS WIDER MANDATE, AND THESE WILL BE ANNOUNCED SHORTLY.

AS I SAID AT THE START, OUR NEW INITIATIVES WERE IMPLEMENTED AFTER EXTENSIVE CONSULTATION AND DIALOGUE WITH LOCAL BUSINESS PEOPLE THROUGHOUT ONTARIO.

WHILE WE CONTINUE TO ANALYZE, REVIEW AND UPDATE OUR PROGRAMS, THOSE I HAVE ANNOUNCED TODAY REPRESENT, WE THINK, A COMPLETE PACKAGE OF SERVICES FOR SMALL BUSINESS.

OUR FINANCIAL ASSISTANCE FOR THE PREPARATION OF  
MARKETING MATERIALS; THE RESOURCES WE ARE MAKING  
AVAILABLE TO SMALL BUSINESSES WANTING TO ENGAGE IN  
RESEARCH AND DEVELOPMENT; AND OUR SUPPORT FOR THE  
ESTABLISHMENT OF LOCAL BOARDS OF DIRECTORS ARE JUST  
A FEW EXAMPLES OF OUR DESIRE TO TAKE ON THE ROLE OF  
A CATALYST -- HELPING THOSE IN THE PRIVATE SECTOR TO  
HELP THEMSELVES AND TO HELP EACH OTHER.